

Members

Sen. Connie Lawson, Chairperson
Sen. Vi Simpson
Rep. Mary Kay Budak
Rep. Vanessa Summers
Jim Freeland
Suzanne Draper
Keith Weedman
Dan Carmin
Margery Justice
James Payne
Mitch Roob



SELECT COMMITTEE ON REORGANIZATION OF CHILD SERVICES

LSA Staff:

K.C. Norwalk, Attorney for the Committee
Karen Firestone, Fiscal Analyst for the Committee
Sarah Brooks, Fiscal Analyst for the Committee

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MEETING MINUTES¹

Meeting Date: October 21, 2005
Meeting Time: 1:00 P.M.
Meeting Place: State House, 200 W. Washington
St., Room 431
Meeting City: Indianapolis, Indiana
Meeting Number: 2

Members Present: Sen. Connie Lawson, Chairperson; Sen. Vi Simpson; Rep. Mary Kay Budak; Rep. Vanessa Summers; Jim Freeland; Dan Carmin; Margery Justice; James Payne; Mitch Roob.

Members Absent: Keith Weedman; Suzanne Draper.

Chairperson Lawson called the second meeting of the Select Committee on the Reorganization of Child Services ("Committee") to order at 1:05 P.M.

Department of Child Services Presentation

James Payne

Committee member James Payne, the director of the Department of Child Services ("Department"), first stated that the goal of the Department is to provide Hoosier children with effective and timely child services. He explained that the delivery of child services in Indiana is fragmented and a child in one county could receive services that are not available in another county. The department is examining the following four issues in each county:

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.in.gov/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

- (1) prevention;
- (2) preservation;
- (3) placement; and
- (4) permanency.

Mr. Payne further noted that the Department is emphasizing preservation and reunification of families at an early stage, which is expensive, but will save money in the future to avoid having to place children away from their families.

Two charts were distributed to committee members. "2006 Family Children Fund" (Exhibit #1) details the child services budget and levy requested in each county, the amount approved, and the amount of outstanding bills owed by counties. "Family and Children Fund Total Budget" (Exhibit #2) details the annual family and children fund budget for each county since 2002.

Mr. Payne explained that there is no consistency with the budgets and levies between counties. Mr. Payne also said that the increase in budgets is to enable the Department to aggressively provide better and earlier child services across Indiana.

Mr. Payne next discussed Governor Daniels' remarks that the state would like to offset the increased costs of child services by seeking Medicaid funds to assist in paying for the services. Mr. Payne also explained the Department would delay the implementation of some programs to assist with paying for additional child service expenses.

Senator Simpson asked if Mr. Payne could give more details about Governor Daniels' announcement. She asked how counties would be impacted and what services would have a later implementation date. Mr. Roob explained that Indiana historically has not done an effective job of leveraging Medicaid funds for children and he believed that \$30 million dollars could be leveraged from Medicaid. Mr. Roob also explained that approximately \$16 million dollars could be leveraged from Title IV-D money and an additional \$8 million dollars could be saved by delaying the implementation of new programs.

Presentation by County Officials

David Bottorff, Executive Director of the Association of Indiana Counties

Mr. Bottorff stated that the Association of Indiana Counties ("Association") believes that the state should pick up the costs of child services instead of being funded by property taxes. He further mentioned that the Association would examine ways to reduce costs for child services

Richard Pflum, Fayette County

Mr. Pflum stated that the Department requested \$4.3 million dollars from Fayette County and the Fayette County Council approved \$2.9 million dollars, which he said is a reasonable increase from last year's budget of \$2.6 million dollars. Mr. Pflum also explained that the Fayette County Council asked for and was not given a sufficient explanation as to why the budget for child services in Fayette County increased \$1.6 million dollars from last year.

Dale Thomas, Fayette County Farm Bureau

Mr. Thomas stated that it is unreasonable for Fayette County to have to pay such a large increase in funding for child services. Mr. Thomas explained that unemployment in Fayette County is high, the major employer in the county is having financial problems, and the county can better determine the child service needs for its residents than the state can.

Greg Bowes, Indianapolis and Marion County City-County Council

Mr. Bowes explained that the child services budget for Marion County for 2006 is \$93.5 million dollars and the City-County Council approved \$64 million dollars, leaving a \$29.5 million dollar difference. Additionally, the Department has requested \$15 million dollars from the City-County Council to fund child services in Marion County for the rest of 2005. Mr. Bowes stated the City-County Council approved a budget for 2006 similar to the budget for 2005. Mr. Bowes also mentioned that the City of Indianapolis had made substantial budget cuts within the last year and those savings would have to fund child services if Marion County has to pay the amount that the Department requested. Mr. Bowes said that the state should be paying for child services because the state is mandating the services, the state is not letting counties decide any aspect of the child services being funded, and there is no accountability to the counties.

Representative Budak asked Mr. Bowes if he had ideas on how to decrease the child services budget. Mr. Bowes suggested that provider contracts should be reviewed and budget increases should not be a certain percentage over the previous year.

Mr. Roob suggested that because county judges have a role in determining county budgets for child services, these judges should be held accountable.

Mr. Carmin stated that the per capita cost of services to a child has been reduced, but the levy has not caught up. Additionally, the increase in property taxes for a \$100,000 home would be approximately \$40 per year.

Tammy Grubbs, Shelby County

Ms. Grubbs testified that the Shelby County Council did not approve the budget amount the Department requested because there is no accountability to the council, local providers have still not been paid from earlier this year, and the council was frustrated because the Department had not timely informed the council when there was a budget shortfall earlier this year. Ms. Grubbs also stated that the Department's policy to group counties into regions was negatively affecting Shelby County because local providers are not being used to provide services to county residents and some local providers have gone out of business.

David Bottorff, Executive Director of the Association of Indiana Counties

Mr. Bottorff spoke again at the end of the presentation from county officials. Mr. Bottorff stated that counties are under pressure to keep property taxes low and when property taxes escalate, the councils are blamed. Mr. Bottorff believes it would be more fair if the state shared the financial responsibility for funding child services.

Presentation regarding Providers

Cathy Graham, Indiana Association of Residential Child Care Agencies

Ms. Graham testified that a number of child services providers have gone out of business in the last couple of years because they are not being utilized. Additionally, small providers are adversely affected when they do not receive timely payments for their services.

Senator Simpson asked Ms. Graham if all the facilities in her association are Medicaid eligible. Ms. Graham answered that not all the facilities are Medicaid eligible because it is difficult to hire some of the necessary medical personal either because salaries are too expensive or because there is a shortage of qualified staff in certain parts of the state.

Selection of Next Meeting Date

Senator Lawson scheduled the final meeting of the Committee for November 8, 2005, at 1:00 P.M. in Room 431 of the State House.

Adjournment

The meeting adjourned at 3:00 P.M.